

Divestitures Quarterly  
Update

Q3 2024



# DCF's divestiture practice

**Deloitte Corporate Finance LLC (DCF)** is a leading global middle-market M&A adviser. Our professionals have extensive knowledge in the divestiture space and use their experience to help clients enhance value.



## Divestitures leadership



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## Organization overview

**#2** 2024 Global M&A Advisor by volume of deals completed <sup>(1)</sup>. Deloitte closed 363 deals in 2024 with a cumulative deal value of \$40.6B.

**363** Completed deals in 2024<sup>(1)</sup>.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** across 60 countries that complement the North American team.
- **Top global middle-market financial advisor** in 2022 according to Mergermarket <sup>(1)</sup>.

**Source:** (1) Please refer to slide 11.  
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# Divestiture trends

This update will focus on news and trends in the following areas:

- US divestiture volume, value, and reported multiples
- US divestitures by buyer type
- US divestitures by industry
- Cross-border divestitures activity



## Transaction trends (1)



### Transaction Volume

U.S. Divestiture transaction volume declined in Q3 2024 compared to Q2 2024. The number of deals dropped to 527 compared to 569 deals in Q2 2024. Additionally, divestitures made up 28.0% of total M&A activity in Q3 2024 compared to 22.7% in Q2 2024 and 19.5% in Q3 2023.



### Transaction Size

In Q3 2024, U.S. transactions with deal values above \$1 billion accounted for 41.0% of the total disclosed deal volumes compared to 24.0% of the deals in Q2 2024. Deals with values less than \$250 million accounted for 47.1% of deal volume compared to 48.5% in Q2 2024.



### Acquiror Type

Domestic strategic buyers accounted for 49.5% of buyers in divestiture transactions in Q3 2024, a decline from 53.5% in Q3 2023. Interest from private equity buyers has filled this gap, accounting for 33.6% of the buyers in Q3 2024, compared to 29.6% in Q3 2023, a new near-term record.



### Industry Focus

High Technology and Industrials remained the areas of focus for divestitures in Q3 2024, making up 15.0% and 12.7% of all divestiture transactions, respectively. Healthcare accounted for the third-highest concentration, comprising 11.8% of all transactions.

After showing notable growth since Q2 2023, divestiture activity declined marginally in Q3 2024. Divestitures accounted for 28.0% of all M&A transactions in Q3 2024 as compared to 19.5% in Q3 2023.

## Regional trends (1)

### Americas

Divestiture activity in the Americas decreased by 5.6% in Q3 2024 compared to Q2 2024. The Americas completed 439 transactions in Q3 2024 compared to 465 transactions in Q1 2024.

#### United States

US-based buyers remain the most active acquirors in the Americas. The number of transactions involving US buyers decreased to 420 in Q3 2024 compared to 449 in Q2 2024.

#### Canada

Canada's deal volume witnessed an increase of 25.0% QoQ in Q3 2024, closing 15 transactions in Q3 2024 compared to 12 in Q2 2024.

### Europe

Divestitures deal activity among European acquirors witnessed a decline in Q3 2024, decreasing by 11.6% QoQ. They participated in 38 deals in Q2 2024 down from 43 in Q2 2024.

#### United Kingdom

Deals involving U.K.-based acquirors decreased to 8 transactions in Q3 2024 compared to 15 in Q2 2024.

#### France

Number of deals in France increased to 10 in Q3 2024 from 7 in Q2 2024.

#### Switzerland

1 deal was closed by investors in Q3 2024 down from 2 in Q2 2024.

### Asia

Divestiture activity in Asia increased by 15.4% QoQ in Q3 2024 compared to Q2 2024. Asian acquirors closed 15 deals in Q3 2024 compared to 13 in Q2 2024.

#### Singapore

Number of deals in Singapore decreased by 2 in Q2 2024. 3 deals were closed by investors in Q3 2024 up from 0 in Q2 2024.

#### India

Divestitures deal activity increased in other Asian countries such as Hong Kong and Japan. Number of deals in South Korea decreased to 2 from 3 in Q2 2024.

Divestiture activity saw a marginal decline across the globe from Q2 2024 to Q3 2024, with the Americas contributing to the bulk of transactions. After showing steady growth in volume, divestitures activity weakened slightly during Q3 2024.

Source: (1) Please refer to slide 11.

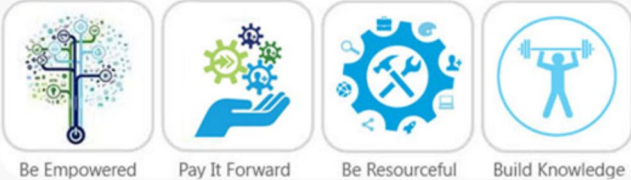
# Deloitte thought leadership

## Deloitte thought leadership

- Deloitte leverages deep transaction experience to deliver customized services and high-quality results to clients operating across multiple industry groups.
- Our surgical carve-out approach to divestitures assists management to achieve a clean, yet efficient, separation designed to find the sweet spot between value, certainty of close, and speed of process.
- A demonstrated track record of helping organizations transform throughout economic cycles, all the while turning challenges into opportunities.

## Extensive knowledge network

- DCF can leverage its expansive cross-business knowledge network, extensive consulting reports, and in-depth industry research to help drive results and provide differentiated insights for our clients.



## Recent insights





# Recent middle-market divestitures <sup>(1)</sup>

## Consumer Staples



### Clearwater Paper entered into a definitive agreement to sell its tissue business to Sofidel America Corporation.

- Clearwater Paper Corporation, a premier supplier of quality consumer tissue and bleached paperboard, entered into a definitive agreement to sell its tissue business to Sofidel America Corporation, a subsidiary of Sofidel S.p.A.
- The transaction enables Clearwater Paper to become a leading independent paperboard supplier in North America. For Sofidel, it will help meet growing U.S. demand by achieving scale and broadening its product range.

**Announced date:** July 2024

**Total Transaction Value:** \$1,060 million

## Retail



### Goodyear Tire & Rubber Company announces sale of off-the-road tire business to Yokohama Rubber Company.

- The Goodyear Tire & Rubber Company, a leading tire company, has agreed to sell its Off-the-Road (OTR) tire business to The Yokohama Rubber Company.
- The sale is part of Goodyear's Forward transformation plan, reducing leverage and funding strategic initiatives. For Yokohama, it will enhance its product offerings and market presence in the OTR tire segment.

**Announced Date:** July 2024

**Total Transaction Value:** \$905 million

## Materials



### PPG reaches agreement to sell silicas products business to QEMETICA S.A.

- PPG, a global leader in paints, coatings, and specialty materials, signed a definitive agreement to sell its silicas products business to QEMETICA, a manufacturer of soda ash, silicates, and other specialty chemicals.
- The acquisition supports QEMETICA's strategy to expand globally and diversify its portfolio. It also enables PPG to concentrate on its core coatings and specialty products, renewing its focus to drive shareholder value.

**Announced Date:** August 2024

**Total Transaction Value:** \$310 million

## Retail



### Fomento Economico Mexicano (FEMSA) to acquire retail assets from Delek U.S.

- FEMSA, a Mexican retail and beverages company, will acquire 100% of the equity interests in the Delek subsidiaries that operate Delek's retail business, thereby expanding its retail operations.
- The sale advances Delek's strategy to unlock value for its stakeholders, gain a competitive partner for retail fuel sales, and create growth opportunities for its employees. Delek is a diversified downstream energy company.

**Announced Date:** August 2024

**Total Transaction Value:** \$385 million

## Technology



### Knowles entered into a definitive agreement to sell its Consumer MEMS Microphone Business to Syntiant Corp.

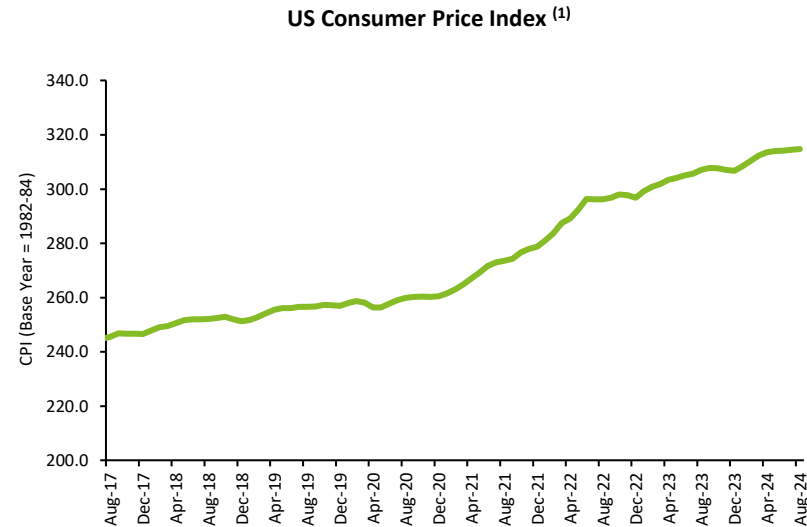
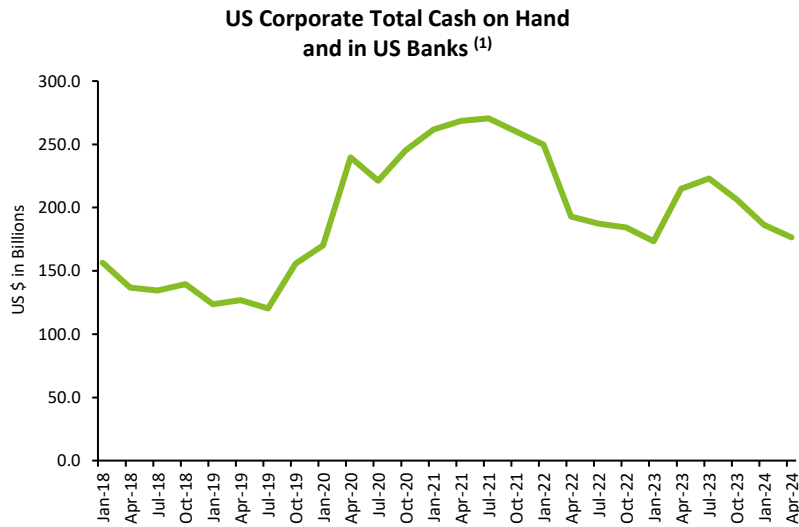
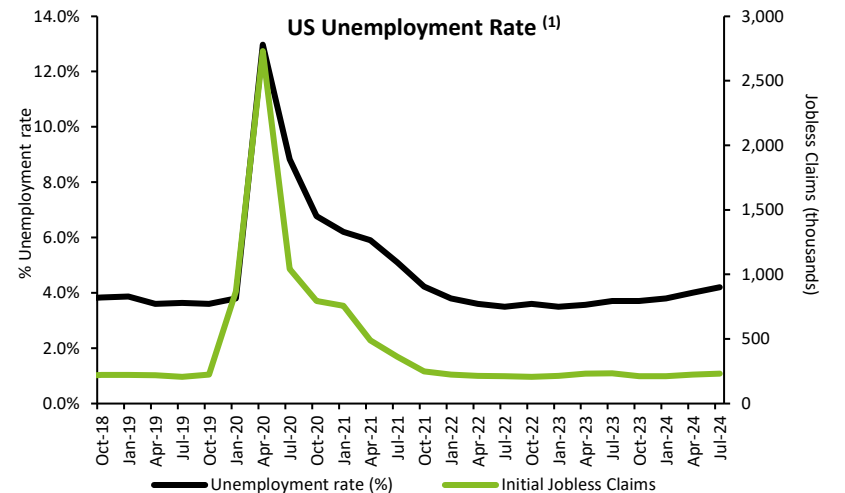
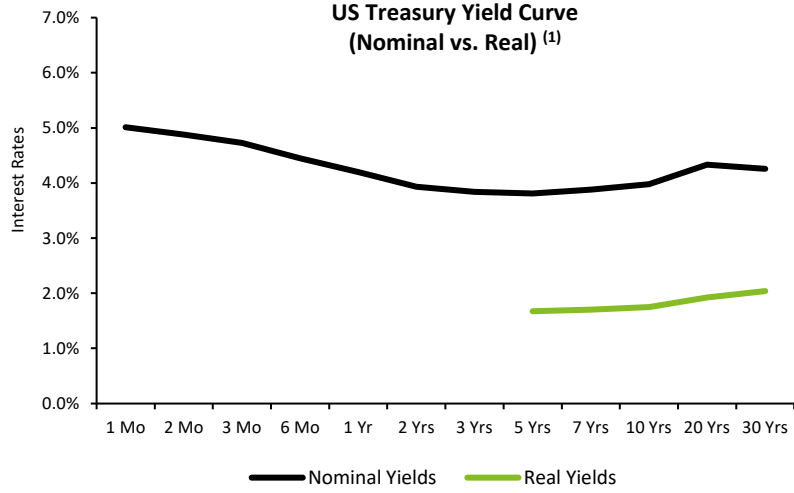
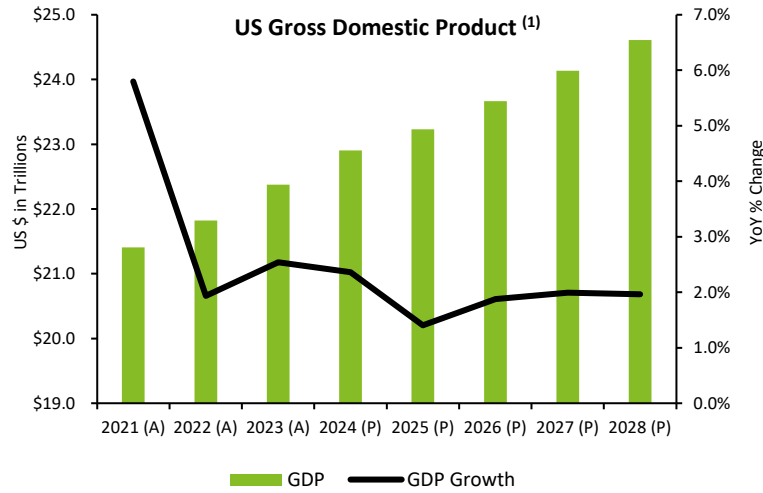
- Knowles Corporation, a leading global supplier of high-performance electronics for demanding applications, has agreed to sell its Consumer MEMS Microphones ("CMM") business to Syntiant Corporation, a leader in the development of low power edge AI speech, audio, sensor, and vision applications.
- The transaction supports Knowles' continued transformation into an industrial technology company.

**Announced Date:** September 2024

**Total Transaction Value:** \$150 million

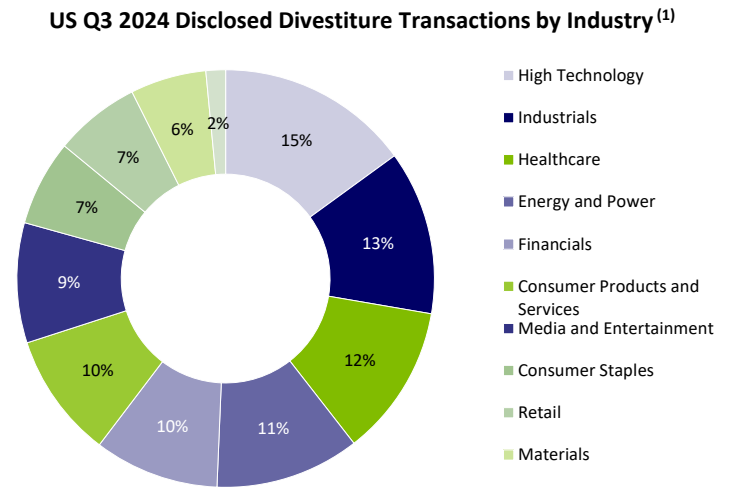
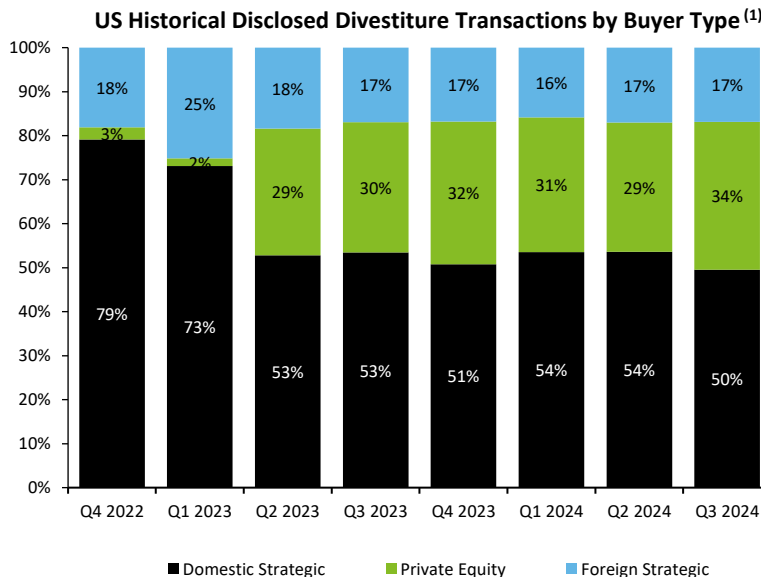
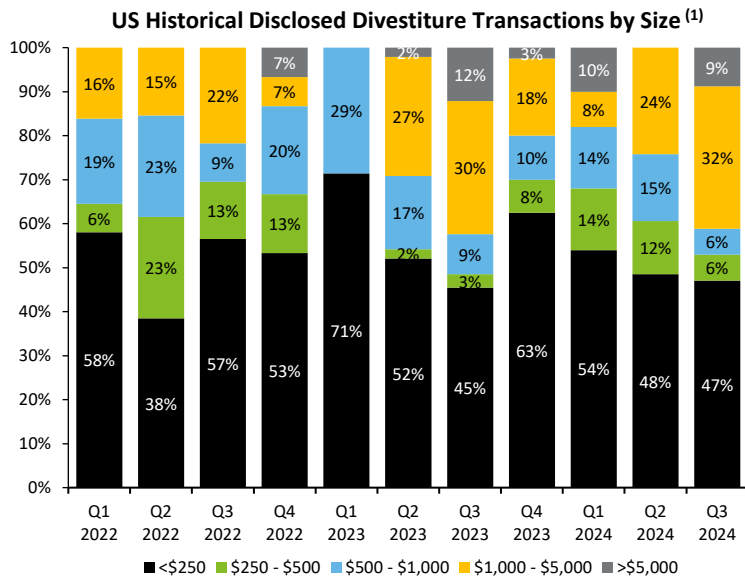
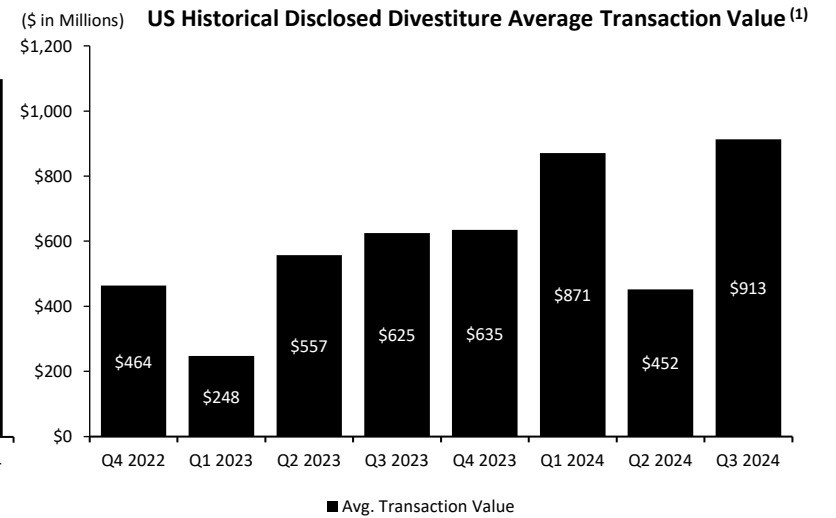
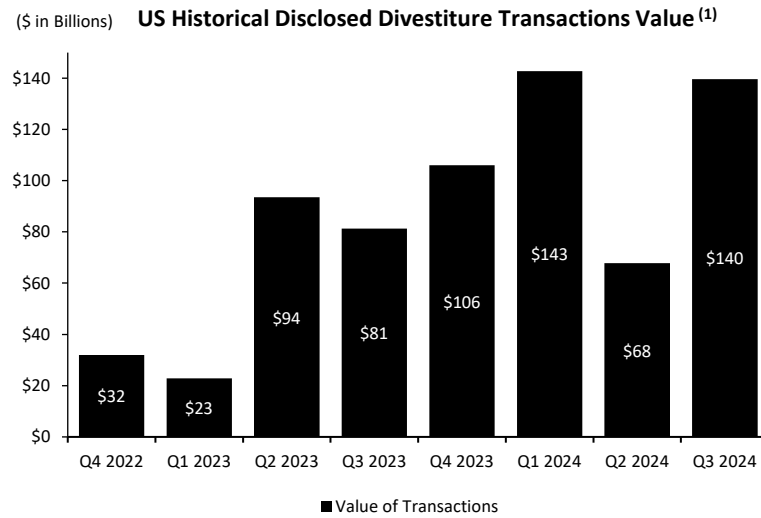
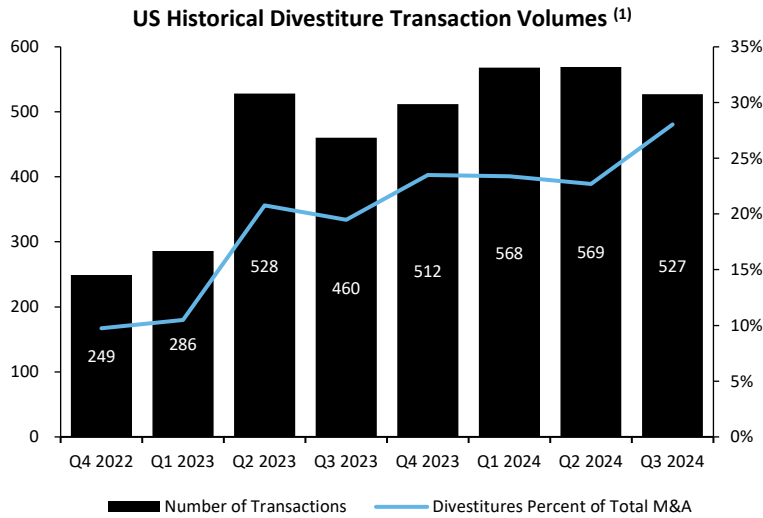
**Source:** (1) Please refer to slide 11.

# Macroeconomic outlook



Source: (1) Please refer to slide 11.

# US historical divestitures



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# Global divestitures – deal volume analysis

## Most active acquiror countries by region <sup>(1)</sup>

### Americas

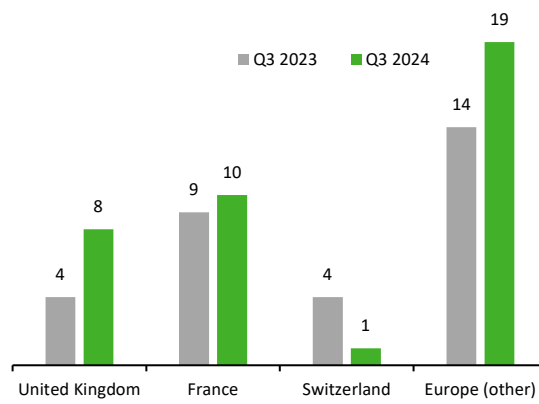
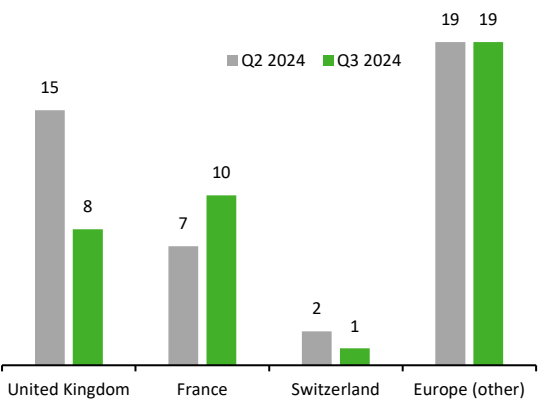
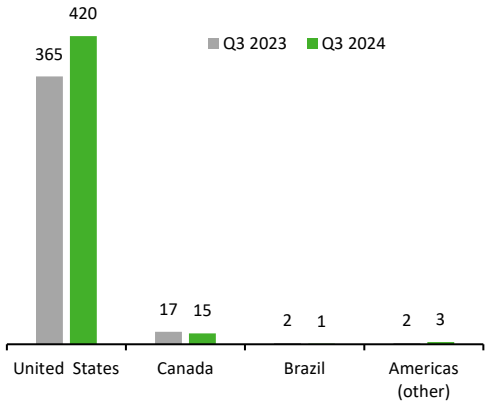
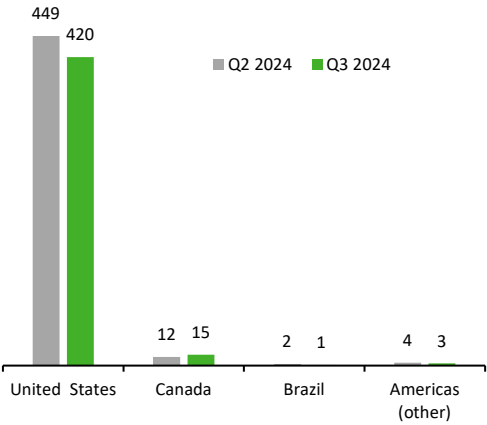
### Europe

Deal volumes – Q3 2024 vs Q2 2024

Deal volumes – Q3 2024 vs Q3 2023

Deal volumes – Q3 2024 vs Q2 2024

Deal volumes – Q3 2024 vs Q3 2023

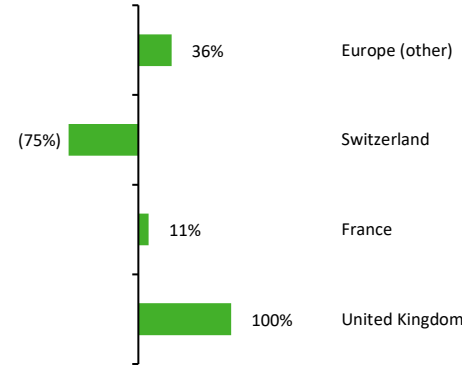
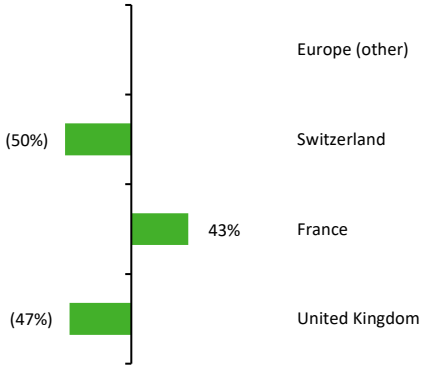
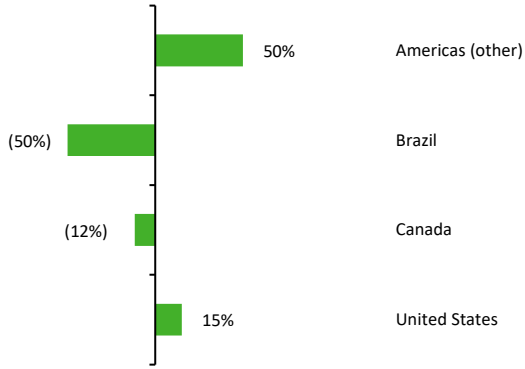
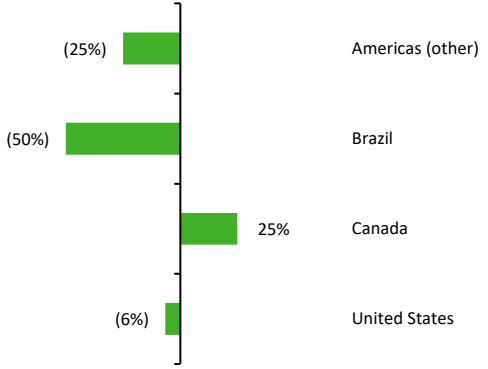


Deal volume % change – Q3 2024 vs Q2 2024

Deal volume % change – Q3 2024 vs Q3 2023

Deal volume % change – Q3 2024 vs Q2 2024

Deal volume % change – Q3 2024 vs Q3 2023



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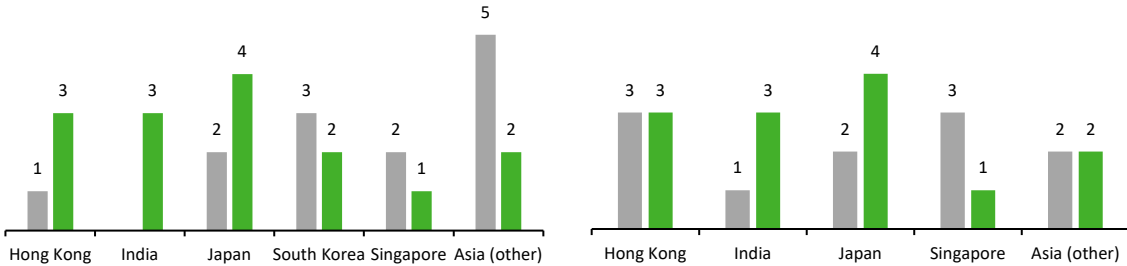
# Global divestitures – deal volume analysis (cont.)

## Most active acquiror countries by region <sup>(1)</sup>

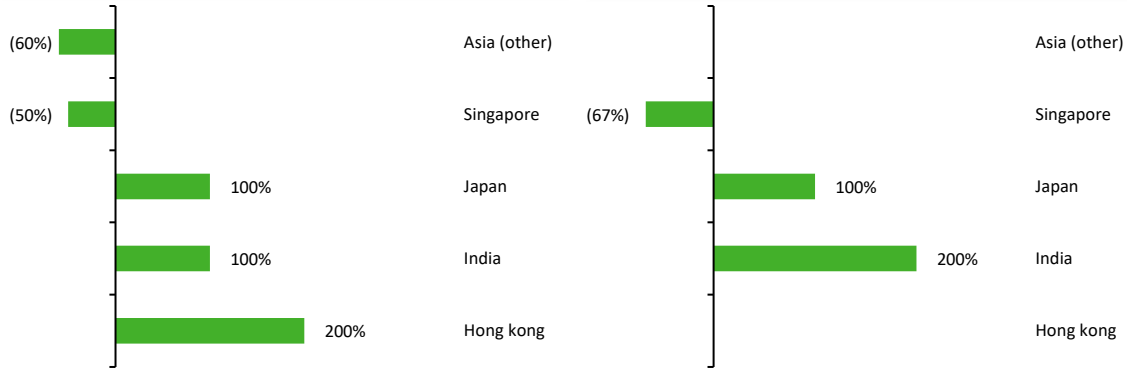
### Asia

Deal volumes – Q3 2024 vs Q2 2024      Deal volumes – Q3 2024 vs Q3 2023

■ Q2 2024   ■ Q3 2024      ■ Q3 2023   ■ Q3 2024

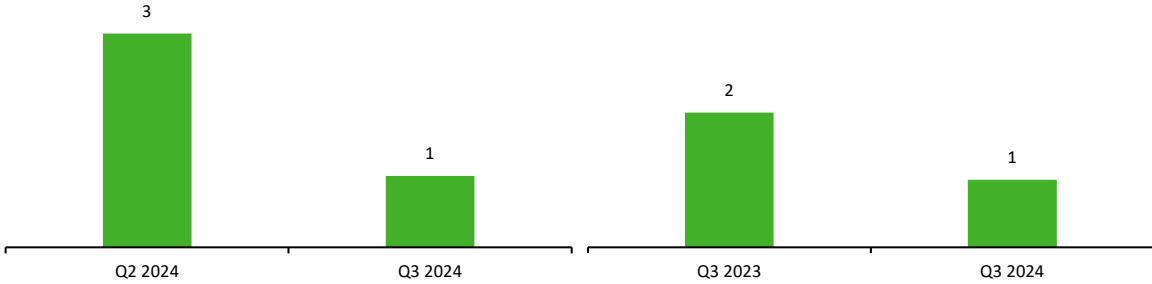


Deal volume % change – Q3 2024 vs Q2 2024      Deal volume % change – Q3 2024 vs Q3 2023



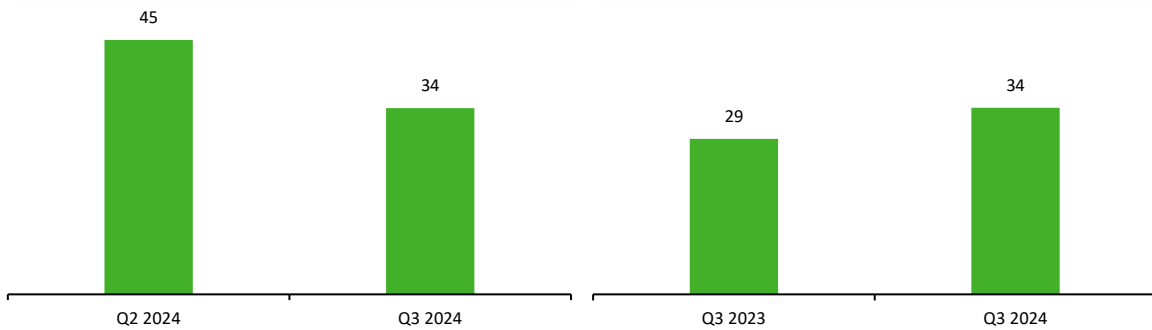
### Rest of the world

Deal volumes – Q3 2024 vs Q2 2024      Deal volumes – Q3 2024 vs Q3 2023



### Undisclosed acquirors

Deal volumes – Q3 2024 vs Q2 2024      Deal volumes – Q3 2024 vs Q3 2023



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# Appendix

## Sources cited

### Page 2:

1. [Mergermarket](#). Accessed October 10, 2024. Data as of September 30, 2024.

### Page 4:

1. [Refinitiv](#). Accessed October 10, 2024. Data as of September 30, 2024.

### Page 6:

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